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**State:** Illinois **Filing Company:** Medical Alliance Insurance Company  
**TOI/Sub-TOI:** 11.0 Medical Malpractice - Claims Made/Occurrence/11.0023 Physicians & Surgeons  
**Product Name:** Medical Malpractice Rule Filing  
**Project Name/Number:** Medical Malpractice Rule Filing /PPL-13-01-R

## Filing at a Glance

Company: Medical Alliance Insurance Company  
Product Name: Medical Malpractice Rule Filing  
State: Illinois  
TOI: 11.0 Medical Malpractice - Claims Made/Occurrence  
Sub-TOI: 11.0023 Physicians & Surgeons  
Filing Type: Rule  
Date Submitted: 05/23/2013  
SERFF Tr Num: IRMS-129034949  
SERFF Status: Closed-Filed  
State Tr Num: IRMS-129034949  
State Status:  
Co Tr Num: PPL-13-01-R  
  
Effective Date: 06/01/2013  
Requested (New):  
Effective Date: 06/01/2013  
Requested (Renewal):  
Author(s): Joyce Janowski  
Reviewer(s): Gayle Neuman (primary)  
Disposition Date: 05/29/2013  
Disposition Status: Filed  
Effective Date (New): 06/01/2013  
Effective Date (Renewal): 06/01/2013

State Filing Description:

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<b>State:</b>	Illinois	<b>Filing Company:</b>	Medical Alliance Insurance Company
<b>TOI/Sub-TOI:</b>	11.0 Medical Malpractice - Claims Made/Occurrence/11.0023 Physicians & Surgeons		
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## General Information

Project Name: Medical Malpractice Rule Filing	Status of Filing in Domicile: Authorized
Project Number: PPL-13-01-R	Domicile Status Comments: IL
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 05/29/2013	
State Status Changed:	Deemer Date:
Created By: Joyce Janowski	Submitted By: Joyce Janowski
Corresponding Filing Tracking Number:	

### Filing Description:

On behalf of Medical Alliance Insurance Company (MAIC), we are submitting a Medical Malpractice rule filing. This filing is to amend the claims-made rule manual currently on file.

Enclosed please find:

Cover letter

Explanatory memorandum

Officer certification

Actuarial certification

Rule manual - sections subject to change (redlined and clean copy)

MAIC has internal policies in place for gathering and reporting statistics to the Department of Insurance. As such, we do not report to a statistical agency.

Please note that this filing will be applicable to all new and renewal policies effective on and after June 1, 2013.

Enclosed is authorization for IRMS Actuarial Services to submit this filing on behalf of Medical Alliance Insurance Company. All correspondence related to this filing should be directed to IRMS Actuarial Services. Please advise if you should need any further clarification regarding this filing.

## Company and Contact

### Filing Contact Information

Joyce Janowski, Actuarial Analyst	jjanowski@irmsactuary.com
17035 W. Wisconsin Avenue,	262-754-1600 [Phone] 114 [Ext]
Suite 105	262-754-1601 [FAX]
Brookfield, WI 53005	

### Filing Company Information

(This filing was made by a third party - irmsactuarialservices)

Medical Alliance Insurance	CoCode: 11861	State of Domicile: Illinois
Company	Group Code:	Company Type: P&C
1151 East Warrenville Road	Group Name:	State ID Number:
Naperville, IL 60566	FEIN Number: 32-0097644	
(630) 276-5400 ext. [Phone]		

## Filing Fees

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<b>State:</b>	Illinois	<b>Filing Company:</b>	Medical Alliance Insurance Company
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Fee Required? No

Retaliatory? No

Fee Explanation:

## State Specific

Refer to our checklists prior to submitting filing ([http://www.idfpr.com/DOI/Prop\\_Cas\\_IS3\\_Checklists/IS3\\_Checklists.htm](http://www.idfpr.com/DOI/Prop_Cas_IS3_Checklists/IS3_Checklists.htm)):

Acknowledged

Refer to our updated (04/06/2007) SERFF General Instructions prior to submitting filing. They have been updated to clarify what rates and rules are required to be filed as well as what rates and rules are not required to be filed. Also, the "Product Name" is the Filing Title and not the Project Number.: Acknowledged

NO RATES and/or RULES ARE REQUIRED TO BE FILED FOR LINES OF COVERAGE SUCH AS COMMERCIAL AUTO (except taxicabs), BURGLARY AND THEFT, GLASS, FIDELITY, SURETY, COMMERCIAL GENERAL LIABILITY, CROP HAIL, COMMERCIAL PROPERTY, DIRECTORS AND OFFICERS, ERRORS AND OMISSIONS, COMMERCIAL MULTI PERIL just to mention a few. However, a Summary Sheet (RF-3) is required to be filed. Please refer to the State Specific Field below for what rates/rules are required to be filed and to our checklists for specific statutes, regulations, etc. :

[http://insurance.illinois.gov/Prop\\_Cas\\_IS3\\_Checklists/IS3\\_Checklists.asp](http://insurance.illinois.gov/Prop_Cas_IS3_Checklists/IS3_Checklists.asp) .: Acknowledged

Medical Malpractice rates/rules may now be submitted using SERFF effective January 1, 2012.: Acknowledged

The only rates and/or rules that are required to be filed are Homeowners, Mobile Homeowners, Dwelling Fire and Allied Lines, Workers' Compensation, Liquor Liability, Private Passenger Automobiles, Taxicabs, Motorcycles and Group Inland Marine Insurance which only applies to insurance involving personal property owned by, being purchased by or pledged as collateral by individuals, and not used in any business, trade or profession per Regulation Part 2302 which says in part, "each company shall file with the Director of Insurance each rate, rule and minimum premium before it is used in the State of Illinois.":

Acknowledged

When selecting a form filing type for a multiple form filing, use the dominant type from these choices: APP - application; CER - certificate; COF - coverage form; DPS - declaration page; END - endorsement; POJ - policy jacket; ORG - Companies adopting an Advisory or Rating Organization's filing. Example: If you are submitting a policy as well as endorsements, a declaration page and an application, you would select "POL" for policy.: N/A

<b>SERFF Tracking #:</b>	IRMS-129034949	<b>State Tracking #:</b>	IRMS-129034949	<b>Company Tracking #:</b>	PPL-13-01-R
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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Gayle Neuman	05/29/2013	05/29/2013

<b>State:</b>	Illinois	<b>Filing Company:</b>	Medical Alliance Insurance Company
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## Disposition

Disposition Date: 05/29/2013  
Effective Date (New): 06/01/2013  
Effective Date (Renewal): 06/01/2013  
Status: Filed

Comment:

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Explanatory Memorandum		No
Supporting Document	Form RF3 - (Summary Sheet)		No
Supporting Document	Certification		No
Supporting Document	Request to Maintain Data as Trade Secret Information		No
Supporting Document	Manual		No
Supporting Document	Cover Letter		No
Supporting Document	Filing Authorization Letter		No

<b>SERFF Tracking #:</b>	IRMS-129034949	<b>State Tracking #:</b>	IRMS-129034949	<b>Company Tracking #:</b>	PPL-13-01-R
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## Supporting Document Schedules

<b>Satisfied - Item:</b>	Explanatory Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	MAIC Expl memorandum June 2013.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Form RF3 - (Summary Sheet)
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Certification
<b>Comments:</b>	
<b>Attachment(s):</b>	MAIC Certificate for med mal.pdf actuary cert.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Request to Maintain Data as Trade Secret Information
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Manual
<b>Comments:</b>	
<b>Attachment(s):</b>	MAIC Manual of Rates-Claims Made 03 01 12 edition June 2013 update final.pdf MAIC Manual of Rates-Claims Made 03 01 12 edition June 2013 update-REDLINE for filing.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>State:</b>	Illinois	<b>Filing Company:</b>	Medical Alliance Insurance Company
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<b>Product Name:</b>	Medical Malpractice Rule Filing		
<b>Project Name/Number:</b>	Medical Malpractice Rule Filing /PPL-13-01-R		

<b>Satisfied - Item:</b>	Cover Letter
<b>Comments:</b>	
<b>Attachment(s):</b>	MAIC ltr for rule filing May 2013.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Filing Authorization Letter
<b>Comments:</b>	
<b>Attachment(s):</b>	20120229103847.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

**MEDICAL ALLIANCE INSURANCE COMPANY**

**EXPLANATORY MEMORANDUM**

**PHYSICIANS PROFESSIONAL LIABILITY**

**EFFECTIVE JUNE 1, 2013**

This filing is to revise relevant portions of the rating manual currently on file with the Department of insurance. The change is as follows:

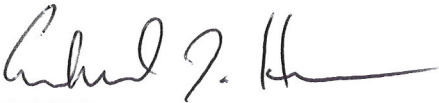
General Rules, Section VIII, C.3, Cancellation/Non-Renewal, Extended Reporting period

A revision has been added to allow extended reporting endorsements to be issued on an installment basis.



# ILLINOIS CERTIFICATION FOR MEDICAL MALPRACTICE

I, Edward J. Holzhauer, a duly authorized officer of Medical Alliance Insurance Company, am authorized to certify on behalf of the Company making this filing, after due inquiry of a qualified actuary, that the company's rating rules are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the subject of this filing.



9-23-2013

Signature and Title of Authorized Insurance Company Officer

Date

Insurance Company FEIN: 32-0097644 Filing Number: PPL-13-01-R

Insurer's Address: 1151 East Warrenville Road, P.O. Box 3015

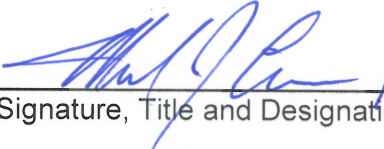
City: Naperville State: IL Zip Code: 60563

Contact Person and email: Amy Tozzi / atozzi@ihastaff.org

Direct Telephone and Fax Number: 630-276-5658 / 630-717-4767

## ILLINOIS CERTIFICATION FOR MEDICAL MALPRACTICE RATES

I, Mark Cain, a duly authorized actuary of Illinois Risk Management Services, am authorized to certify on behalf of Medical Alliance Insurance Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

 SENIOR DIRECTOR  
Signature, Title and Designation of Authorized Actuary  
5/23/13  
Date

Insurance Company FEIN 32-0097644 Filing Number PPL-13-01-R

Insurer's Address 1151 East Warrenville Road PO Box 3015

City Naperville State IL Zip 60563

Contact Person's Name and E-mail Amy Tozzi / atozzi@ihastaff.org

Direct Telephone and Fax Number 630/276-5658 630/717-4767

# **MEDICAL ALLIANCE INSURANCE COMPANY**

## **MANUAL OF CLAIMS-MADE RULES AND RATES**

**MEDICAL ALLIANCE INSURANCE COMPANY  
PHYSICIAN PROFESSIONAL LIABILITY  
CLAIMS-MADE INSURANCE POLICY**

**MANUAL OF RULES AND RATES**

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# MANUAL OF RULES AND RATES

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**MEDICAL ALLIANCE INSURANCE COMPANY  
PHYSICIAN PROFESSIONAL LIABILITY  
CLAIMS MADE INSURANCE MANUAL**

**GENERAL RULES**

**I. GENERAL INSTRUCTIONS**

This manual contains the rules and rates governing the underwriting of professional liability insurance for **Physicians, Medical Corporations** and **Paramedical Employees** written on a claims-made policy form.

Additional exposure risks for which coverage is provided on or after the effective date of this manual, either by endorsement of outstanding policies or by the issuance of separate policies, shall be written on the basis of the rates and rules in effect at the time the coverage is provided.

The following requirements shall be observed in the preparation of policies of insurance covered by this manual:

- A.** On policies issued to a **Physician**, the **Physician** shall be identified as the **Named Insured** on the Declarations Page by name, rating medical specialty and rating code number.
- B.** On policies issued to **Medical Corporations** whose qualification for said policy is established in Appendix III, the **Medical Corporation** shall be identified as the **Named Insured** on the Declarations Page by its legal name.
- C.** On policies issued to a group of **Physicians** not associated with a **Medical Corporation**, a non-covered **Named Insured** for the purposes of facilitating the issuance, administration and payment of the policy shall be identified on the Declarations Page.
- D.** Additional **Insureds** and additional **Named Insureds** (who may be Doctors of Medicine, Doctors of Osteopathy, **Paramedical Employees** or **Medical Corporations**) shall be identified on attaching endorsements either by name (in the case of **Physicians** and a sole shareholder **Medical Corporation**) or by name or number (in the case of designated **Paramedical Employees**).
- E.** When applicable, policies shall be endorsed to acknowledge any reported exceptions to the representations and warranties stipulated on the Declarations Page.
- F.** Once a policy has been issued, any changes thereto shall be accomplished by means of endorsement(s).

## II. **POLICY PERIOD**

- A. Policies are written for the period of time specified on the Declarations Page upon payment of premium and expire upon cancellation, non-renewal or renewal.
- B. Policies are generally written for a twelve (12) month period beginning on the policy effective date.
- C. Any policy written for at least a twelve (12) month period may, upon the **Named Insured's** request and approval by **MAIC**, be extended up to a maximum of ninety (90) additional days. The aggregate limit of liability as described in Section VI. shall apply to the sum of the original **Policy Period** plus any extension.

## III. **SCOPE OF COVERAGE**

For details of coverage and exclusions, refer to standard policy.

## IV. **PERSONS INSURED**

For persons insured, refer to standard policy.

## V. **GENERAL DEFINITIONS**

For general definitions, refer to standard policy.

## VI. **LIMITS OF LIABILITY**

Manual rates and minimum premiums are calculated to provide limits of \$1,000,000 "Each Person" and a **Policy Period** aggregate of \$3,000,000. Unless modified by endorsement, the inclusion of more than one **Insured** under a policy shall not operate to increase **MAIC's** limits of liability.

**MAIC** may, at its discretion, increase the policy aggregate. The "Each Person" limit may be obtained only in the amount of \$1,000,000 with a corresponding annual aggregate of \$3,000,000 applied to each **Named Insured**, or an aggregate limit may be shared by each **Named Insured** with the amount being determined by the number of exposures in the group as follows:

<b>Number of Exposures *</b>	<b>Policy Aggregate</b>
2	5M
3	8M
4	10M
5	15M
6	16M
7	18M
8	20M
9	22M
10 – 19	25M
20 – 39	40M
40 - 59	55M
60 – 79	70M
80 – 99	85M

\* For each additional 20 exposures, increase the aggregate by \$15M.

## **VII. RATES AND PREMIUM CALCULATION**

### **A. RATES**

Annual and Extended Reporting Endorsement premiums applicable to **Physicians** for each specialty, territory and maturity year appear on the rate pages contained in Appendix I, Section I.

Premiums and rate categories for **Paramedical Employees** (who may be added by endorsement as either additional **Named Insureds** or additional **Insureds** on the standard policy) appear on the rate pages contained in Appendix I, Section II.

### **B. (a) RATED RISKS**

Every risk described in the rate pages contained in Appendix I, Section II for which the symbol (a) appears in lieu of a specific rating designation and any other risk, risk procedure or technique not otherwise identified or defined in the appendices forming a part of this manual, shall be submitted to **MAIC** for rating.



### C. CALCULATION OF PREMIUM

Subject to Paragraph E. below, the premium shall be determined on the basis of the units of exposure existing at policy inception and shall be calculated in accordance with the applicable rates and rules contained or referenced in this manual. A premium involving \$.50 or more shall be rounded to the next higher whole dollar. Interim premium adjustments including endorsements shall be calculated pro rata.

### D. QUARTERLY INSTALLMENT OPTION

The developed premium is billed on a quarterly basis; 34% prior to policy issuance and 22% prior to the start of each subsequent three (3) month period, and shall be rounded to the nearest whole dollar. There are no interest charges or installment fees assessed. Any additional premium resulting from changes to the policy shall be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to a policy may be billed immediately as a separate transaction.

### E. MINIMUM PREMIUM RULE

Except as provided in Appendix II, Section VII, no Professional Liability Claims-Made Insurance Policy may be issued for less than a premium charge of \$400 per year.

### F. MATURITY YEAR

Each **Named Insured** shall, each **Policy Period**, have a designated maturity year. The measurement of the maturity year begins on the **Named Insured's Retroactive Date** and advances each subsequent year thereafter until maturity is achieved for those policies that have been issued for six (6) months or more. In the event the policy has been issued for less than six (6) months, the maturity year does not advance. See Appendix II, Section I for maturity factors.

## **G. FULL TIME EQUIVALENT (FTE) AND PER VISIT RATING**

1. FTE/Per Visit rating is based on a certain identifiable pricing mechanism (i.e., “per-patient encounters”, “per procedure”, “total revenues” or “total hours”) in which to assess a premium charge to a **Medical Corporation**.
2. FTE/Per Visit premium is not subject to a premium reduction because of:
  - a. Suspended Coverage;
  - b. Newly Practicing **Physician** Discount; or
  - c. Part-Time Rating.
3. See the rate pages contained in Appendix I, Section III. for Per Visit rates.
4. FTE premium is based on the full-time mature rate of the specialty presented.

## **VIII. CANCELLATION / NON-RENEWAL**

### **A. BY MAIC**

The earned premium shall be determined on a pro rata basis by multiplying the number of units of exposure for the period the policy was in force by the applicable rates.

### **B. BY THE NAMED INSURED**

The earned premium shall be determined as the difference between written and return premium. Return premium will be calculated at 90% of pro rata. The earned premium so calculated shall also be subject to the Minimum Premium Rule in Section VII, Paragraph D. If the **Physician** requests cancellation (written request from **Named Insured** required), reinstatement may not take effect until three (3) months after the cancellation date and will be subject to re-underwriting including the required purchase of an Extended Reporting Endorsement at the time of cancellation. If cancellation is due to death, **Retirement** or **Disability**, the earned premium shall be calculated on a pro rata basis.

### **C. EXTENDED REPORTING ENDORSEMENT**

Refer to Appendix II, Section II for the tail factors to be applied to the annual expiring premium for the purchase of an Extended Reporting Endorsement. Said endorsement may be purchased upon policy termination or upon coverage termination of a **Named Insured** because of severance of the relationship between an additional **Named Insured** and the **Named Insured**. Either the **Named Insured** or the additional **Named Insured** may purchase an Extended Reporting Endorsement on behalf of the additional **Named Insured**.

The purchase of an Extended Reporting Endorsement is subject to the terms and conditions specified in the standard policy. The Extended Reporting Endorsement premium for an individual **Named Insured** is subject to the **Named Insured's** specialty and territory in effect as of the policy termination date.

The Extended Reporting Endorsement premium for a **Medical Corporation** shall be the sum of all applicable individual Extended Reporting Endorsement premiums and any **Medical Corporation** Extended Reporting Endorsement premium as appropriate.

1. **Individual Named Insured**

Manual Rate (7<sup>th</sup> Year Rate based upon territory and specialty)

X Maturity Year Factor

---

= Annual Base Premium

X Part Time Factor (if applicable),

or

X Newly Practicing Physician Discount Factor (if applicable),  
(use whichever applicable factor above would provide the greatest discount)

---

= Annual Adjusted Base Premium

- Loss Free Discount (if applicable, Loss Free Discount Factor x Annual Adjusted Base Premium)

---

= Annual Discounted Premium (net of loss free discount)

X Tail Factor

---

= Extended Reporting Endorsement Premium

If the **Named Insured** is on suspended coverage at the date of policy cancellation, the rating factors in effect before the suspended coverage will be used.

2. **Medical Corporation**

To determine the Extended Reporting Endorsement premium for a **Medical Corporation**, the individual **Physician** premiums that have a premium bearing relationship to the corporation are used. The premium is computed as follows:

- a. For **Medical Corporations** with four or less **Physicians** with premium bearing relationships:

Using the individual **Physician** rating method, multiply the annual adjusted base premium of each individual **Physician** by a factor of .21 (21%). Then add these amounts together to determine an annual premium.

- b. For **Medical Corporations** with five or more **Physicians** with premium bearing relationships:

Determine the five highest rated **Physicians** based upon their annual adjusted base premiums. Add these annual adjusted base premiums together and divide by 5.

---

= Annual Base Premium

X Tail Factor

---

= Extended Reporting Endorsement Premium

If a **Medical Corporation** is rated on an auditable premium basis, the annual base premium is determined by multiplying the per exposure rate by the number of exposures. The tail factor is applied to the annual base premium.

- c. If **Paramedical Employees** are covered under the policy, add the sum of the individual **Paramedical Employee** premiums to the developed **Medical Corporation** annual base premium before applying the tail factor.
3. The Extended Reporting Endorsement premium as calculated may be paid all at once, or it may be paid in annual installments over a three-year period calculated as follows:
- a. Calculate the total cost of the Extended Reporting Endorsement using the rates in effect as of the policy expiration date;
- b. If payment will be made in installments, calculate the service charge. The service charge shall be 3% of the total cost of the Extended Reporting Endorsement, shall be payable in full in conjunction with the first installment and is not refundable; and
- c. Calculate the installment amounts:
- (i) First Installment – 50% of the total premium plus the service charge;
  - (ii) Second Installment – 30% of the total premium;
  - (iii) Third Installment – 20% of the total premium.
- d. The **Named Insured's** election to purchase the Extended Reporting Endorsement on installments is irrevocable upon receipt by **MAIC** of the first installment payment.
4. All premiums for the Extended Reporting Endorsement are payable as of the due date shown on the Extended Reporting Endorsement invoice. Any such premium not paid as of the due date shall be in default and shall be grounds for not issuing or for canceling the Extended Reporting Endorsement. Any premium received after the due date shall be refunded within ten (10) business days.

5. A **Named Insured** may be granted an Extended Reporting Period without cost in the event of death or **Disability**.

A **Named Insured** who is a **Physician** or **Paramedical Employee** (separate limits) may obtain an Extended Reporting Endorsement at no cost or at reduced cost in the event of **Retirement** (as defined in the policy). Coverage with previous claims-made carriers may, at MAIC's option, be substituted in lieu of **MAIC** coverage so long as the **Physician** or **Paramedical Employee** (separate limits) is insured with **MAIC** for at least one year prior to requesting the Extended Reporting Endorsement. Waiver of the full premium for an Extended Reporting Endorsement based on **Retirement** will be granted only once to a **Physician** or **Paramedical Employee** (separate limits).

A credit toward the purchase of the Extended Reporting Endorsement is computed as follows:

- a. one-sixtieth (1/60) of the premium for each full month the retiring **Physician** or **Paramedical Employee** (separate limits) has had consecutive coverage with **MAIC** for up to a total credit of 100% if the **Physician** or **Paramedical Employee** (separate limits) has attained the age of fifty-five at **Retirement**; or
  - b. one one-hundred twentieth (1/120) of the premium for each full month the retiring **Physician** or **Paramedical Employee** (separate limits) has had consecutive coverage with **MAIC** for up to a total credit of 100%, regardless of age of the **Physician** or **Paramedical Employee** (separate limits) at **Retirement**.
6. A **Physician** or **Paramedical Employee** (separate limits) previously granted an Extended Reporting Period without cost or at reduced cost because of **Retirement** may, in the future, be considered for insurance with **MAIC** under the following circumstances:
    - a. Completion of an application for insurance;
    - b. Reapplication after twelve (12) months;
    - c. Has reported no **Claims** or **Suits** pursuant to the Extended Reporting Endorsement; and
    - d. Payment of the appropriate premium for the period the policy was either placed on suspended coverage or rated Part-Time, 20%, Retired, Not in Practice at the same, territory and maturity year in effect at the time of termination.
  7. The premium calculated in Paragraphs 1 or 2 above is subject to proration depending upon the policy termination date and the **Named Insured's** maturity year.
    - a. Maturity Year One - The Extended Reporting Endorsement premium shall be computed on a pro rata basis for each day the policy has been in force and shall be rounded to the nearest whole dollar.

- b. Maturity Year Two Through Maturity Year Six - The Extended Reporting Endorsement premium shall be the sum of:
  - (i). The pro rated difference between the Extended Reporting Endorsement premium at the end of the current **Policy Period** and the premium that would have been charged had the policy terminated at the end of the preceding **Policy Period**; and
  - (ii). The premium that would have been charged in the preceding **Policy Period** if the policy had terminated one (1) year earlier.
- c. Maturity Year Seven - Not subject to proration.

#### **IX. ADDITIONAL INTERESTS**

The addition of coverages, persons or entities not provided for in the standard policy shall be submitted to **MAIC** for rating.

## **X. UNDERWRITING PROCEDURE**

### **A. PHYSICIAN COVERAGE**

1. If a **Named Insured** employs a **Physician**, all such employed **Physicians** must be insured with **MAIC**.
2. If a **Physician's** primary office practice and primary hospital practice are in different territories, the territory to be used for rating purposes shall be:
  - a. For non-surgical specialties not identified in b. below, the primary office practice location is used.
  - b. For surgical specialties including but not limited to those listed below and the following identified non-surgical specialties, the primary hospital location is used.

Anesthesiology, Cardiovascular Disease (MRP), Emergency Medicine, Family Practice (Not Primarily Major Surgery), General Practice (Not Primarily Major Surgery), Ophthalmic Surgery, Pathology, Radiology.
  - c. "Primary" means 51% or more of the **Physician's** total office or hospital practice time, as applicable, spent in a given territory.
3. If a **Physician** practices in two or more territories, or, if hospital-based, the **Physician** practices in two or more hospitals which are located within different territorial boundaries, the higher rated territory shall be utilized for rating purposes.
4. The premium shall be the sum of:
  - a. The rate applicable to the individual **Physician's** specialty, territory and maturity year which appears on the rate pages contained in Appendix I, Section I; plus,
  - b. The appropriate per person rate for each **Paramedical Employee** whose rate appears on the rate pages contained in Appendix I, Section II; plus,
  - c. Any scheduled rating credit or debit.
5. In the event a **Physician's** specialty rating is reduced, no additional premium charge shall be made. However, if the **Physician** terminates the policy within twenty-four (24) months from the effective date of a specialty reduction the resulting Extended Reporting Endorsement calculation shall be made at the highest specialty designation in effect while insured by **MAIC**.

### **B. MEDICAL CORPORATION COVERAGE**

See Appendix III.

### C. PRIOR ACTS COVERAGE

1. Prior Acts Coverage is available.
2. The appropriate maturity year will be measured as described in Section VII, Paragraph F.
3. The premium for Prior Acts Coverage shall be calculated as described in Section X, Paragraphs A and B.

## XI. PHYSICIAN SPECIALTY

### A. **Physician** specialty assignment for rating purposes shall be made on the basis of:

1. The **Physician's** trained medical specialty. "Trained medical specialty" is defined as:
  - a. Completion of a bona fide residency program by the **Physician**;
  - b. Completion of a bona fide residency and fellowship program by the **Physician**; or
  - c. If neither a. or b. are applicable to the **Physician's** specific circumstances, the type of medical practice engaged in by the **Physician**, and how such **Physician** is holding him/her self out to the public.
2. When applicable, performance or non-performance of medical procedures in accordance with the rules contained in this manual.

### B. The initial basis of rating assignment shall be the **Physician's** trained medical specialty as described above. To the extent that the **Physician's** practice activity contemplated by the medical specialty may be increased by the performance of medical procedures not usual and customary to the trained specialty, or may be decreased by the non-performance of medical procedures that are usual and customary to the trained medical specialty, the **Physician's** rating assignment may be adjusted higher or lower as specified in Appendix II, Section IV.

### C. The **Physician** specialty rating schedules and rules of this manual do not apply to **Physicians** in active United States Military Service or to the government practice activity of **Physicians** employed on a full or part-time basis by any government agency, institution or facility, other than a medical school or student health center.

**Physicians** and **Medical Corporations** rendering or furnishing medical services within any government-owned or operated institution or facility (except a medical school, a facility owned or operated by a medical school or a student health center) on a fee-for-service (independent contractor) basis shall be subject to (a) rating.



## **XII. SUPPLEMENTARY RULES**

### **A. SPECIAL RULES GOVERNING PHYSICIAN RATING**

#### **1. NEWLY PRACTICING PHYSICIAN PREMIUM DISCOUNT RULE**

See Appendix II, Section V.

#### **2. PART-TIME RATING RULE**

See Appendix II, Section VI.

#### **3. SUSPENDED COVERAGE RULE**

See Appendix II, Section VIII.

#### **4. CHANGE IN SPECIALTY MINIMUM DURATION RULE**

**Physicians** who voluntarily request either a decrease or increase in specialty assignment may not obtain a further change in specialty assignment until a period of three (3) months has elapsed. This rule shall not apply when it conflicts with any other rule in this manual.

#### **5. LOSS-FREE DISCOUNT**

**Physicians** with no indemnity payments over a given experience period may qualify for a premium discount. See Appendix II, Section X.

### **B. RESTRICTIVE ENDORSEMENT RULE**

Whenever a restrictive endorsement is attached to the policy of an employed **Physician, Paramedical Employee** or a **Physician** who is either an officer, director or shareholder of a **Medical Corporation**, a comparable endorsement shall be attached to the respective employer's policy if such employer is insured by **MAIC**. Such endorsement shall serve to limit the liability otherwise afforded under such policies, for the acts and omissions of the **Insured** whose individual coverage is restricted, if the **Claim** or **Suit** arises out of the excluded activity.

## **XIII. DEDUCTIBLES**

- A.** A deductible may be available to **Named Insureds** who either desire to share in their losses in return for premium savings or have demonstrated a significant adverse loss profile necessitating that they take a primary role in the management of their risk.
- B.** A deductible requires the **Named Insured** to share financially in each and every **Claim**. Varying amounts may be arranged depending on the financial and risk management expertise of the **Named Insured**. The deductible, which is inside the limits of liability, will include indemnity payments only.

- C. Any premium credit, because of the assumption of a deductible, must be submitted to **MAIC** for rating.
- D. A deductible may require the **Named Insured** to post a letter of credit or other suitable form of security.

# **MEDICAL ALLIANCE INSURANCE COMPANY**

## **MANUAL OF CLAIMS-MADE RULES AND RATES**

(Edition Date: 09/01/06)

**MEDICAL ALLIANCE INSURANCE COMPANY  
PHYSICIAN PROFESSIONAL LIABILITY  
CLAIMS-MADE INSURANCE POLICY**

**MANUAL OF RULES AND RATES**

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## MANUAL OF RULES AND RATES

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**MEDICAL ALLIANCE INSURANCE COMPANY  
PHYSICIAN PROFESSIONAL LIABILITY  
CLAIMS MADE INSURANCE MANUAL**

**GENERAL RULES**

**I. GENERAL INSTRUCTIONS**

This manual contains the rules and rates governing the underwriting of professional liability insurance for **Physicians**, **Medical Corporations** and **Paramedical Employees** written on a claims-made policy form.

Additional exposure risks for which coverage is provided on or after the effective date of this manual, either by endorsement of outstanding policies or by the issuance of separate policies, shall be written on the basis of the rates and rules in effect at the time the coverage is provided.

The following requirements shall be observed in the preparation of policies of insurance covered by this manual:

- A. On policies issued to a **Physician**, the **Physician** shall be identified as the **Named Insured** on the Declarations Page by name, rating medical specialty and rating code number.
- B. On policies issued to **Medical Corporations** whose qualification for said policy is established in Appendix III, the **Medical Corporation** shall be identified as the **Named Insured** on the Declarations Page by its legal name.
- C. On policies issued to a group of **Physicians** not associated with a **Medical Corporation**, a non-covered **Named Insured** for the purposes of facilitating the issuance, administration and payment of the policy shall be identified on the Declarations Page.
- D. Additional **Insureds** and additional **Named Insureds** (who may be Doctors of Medicine, Doctors of Osteopathy, **Paramedical Employees** or **Medical Corporations**) shall be identified on attaching endorsements either by name (in the case of **Physicians** and a sole shareholder **Medical Corporation**) or by name or number (in the case of designated **Paramedical Employees**).
- E. When applicable, policies shall be endorsed to acknowledge any reported exceptions to the representations and warranties stipulated on the Declarations Page.
- F. Once a policy has been issued, any changes thereto shall be accomplished by means of endorsement(s).

## II. POLICY PERIOD

- A. Policies are written for the period of time specified on the Declarations Page upon payment of premium and expire upon cancellation, non-renewal or renewal.
- B. Policies are generally written for a twelve (12) month period beginning on the policy effective date.
- C. Any policy written for at least a twelve (12) month period may, upon the **Named Insured's** request and approval by **MAIC**, be extended up to a maximum of ninety (90) additional days. The aggregate limit of liability as described in Section VI. shall apply to the sum of the original **Policy Period** plus any extension.

## III. SCOPE OF COVERAGE

For details of coverage and exclusions, refer to standard policy.

## IV. PERSONS INSURED

For persons insured, refer to standard policy.

## V. GENERAL DEFINITIONS

For general definitions, refer to standard policy.

## VI. LIMITS OF LIABILITY

Manual rates and minimum premiums are calculated to provide limits of \$1,000,000 "Each Person" and a **Policy Period** aggregate of \$3,000,000. Unless modified by endorsement, the inclusion of more than one **Insured** under a policy shall not operate to increase **MAIC's** limits of liability.

**MAIC** may, at its discretion, increase the policy aggregate. The "Each Person" limit may be obtained only in the amount of \$1,000,000 with a corresponding annual aggregate of \$3,000,000 applied to each **Named Insured**, or an aggregate limit may be shared by each **Named Insured** with the amount being determined by the number of exposures in the group as follows:

Number of Exposures *	Policy Aggregate
2	5M
3	8M
4	10M
5	15M
6	16M
7	18M
8	20M
9	22M
10 – 19	25M
20 – 39	40M
40 - 59	55M
60 – 79	70M
80 – 99	85M

\* For each additional 20 exposures, increase the aggregate by \$15M.

## VII. RATES AND PREMIUM CALCULATION

### A. RATES

Annual and Extended Reporting Endorsement premiums applicable to **Physicians** for each specialty, territory and maturity year appear on the rate pages contained in Appendix I, Section I.

Premiums and rate categories for **Paramedical Employees** (who may be added by endorsement as either additional **Named Insureds** or additional **Insureds** on the standard policy) appear on the rate pages contained in Appendix I, Section II.

### B. (a) RATED RISKS

Every risk described in the rate pages contained in Appendix I, Section II for which the symbol (a) appears in lieu of a specific rating designation and any other risk, risk procedure or technique not otherwise identified or defined in the appendices forming a part of this manual, shall be submitted to **MAIC** for rating.



#### **C. CALCULATION OF PREMIUM**

Subject to Paragraph E. below, the premium shall be determined on the basis of the units of exposure existing at policy inception and shall be calculated in accordance with the applicable rates and rules contained or referenced in this manual. A premium involving \$.50 or more shall be rounded to the next higher whole dollar. Interim premium adjustments including endorsements shall be calculated pro rata.

#### **D. QUARTERLY INSTALLMENT OPTION**

The developed premium is billed on a quarterly basis; 34% prior to policy issuance and 22% prior to the start of each subsequent three (3) month period, and shall be rounded to the nearest whole dollar. There are no interest charges or installment fees assessed. Any additional premium resulting from changes to the policy shall be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to a policy may be billed immediately as a separate transaction.

#### **E. MINIMUM PREMIUM RULE**

Except as provided in Appendix II, Section VII, no Professional Liability Claims-Made Insurance Policy may be issued for less than a premium charge of \$400 per year.

#### **F. MATURITY YEAR**

Each **Named Insured** shall, each **Policy Period**, have a designated maturity year. The measurement of the maturity year begins on the **Named Insured's Retroactive Date** and advances each subsequent year thereafter until maturity is achieved for those policies that have been issued for six (6) months or more. In the event the policy has been issued for less than six (6) months, the maturity year does not advance. See Appendix II, Section I for maturity factors.

#### G. FULL TIME EQUIVALENT (FTE) AND PER VISIT RATING

1. FTE/Per Visit rating is based on a certain identifiable pricing mechanism (i.e., "per-patient encounters", "per procedure", "total revenues" or "total hours") in which to assess a premium charge to a **Medical Corporation**.
2. FTE/Per Visit premium is not subject to a premium reduction because of:
  - a. Suspended Coverage;
  - b. Newly Practicing **Physician** Discount; or
  - c. Part-Time Rating.
3. See the rate pages contained in Appendix I, Section III. for Per Visit rates.
4. FTE premium is based on the full-time mature rate of the specialty presented.

#### VIII. CANCELLATION / NON-RENEWAL

##### A. BY MAIC

The earned premium shall be determined on a pro rata basis by multiplying the number of units of exposure for the period the policy was in force by the applicable rates.

##### B. BY THE NAMED INSURED

The earned premium shall be determined as the difference between written and return premium. Return premium will be calculated at 90% of pro rata. The earned premium so calculated shall also be subject to the Minimum Premium Rule in Section VII, Paragraph D. If the **Physician** requests cancellation (written request from **Named Insured** required), reinstatement may not take effect until three (3) months after the cancellation date and will be subject to re-underwriting including the required purchase of an Extended Reporting Endorsement at the time of cancellation. If cancellation is due to death, **Retirement** or **Disability**, the earned premium shall be calculated on a pro rata basis.

##### C. EXTENDED REPORTING ENDORSEMENT

Refer to Appendix II, Section II for the tail factors to be applied to the annual expiring premium for the purchase of an Extended Reporting Endorsement. Said endorsement may be purchased upon policy termination or upon coverage termination of a **Named Insured** because of severance of the relationship between an additional **Named Insured** and the **Named Insured**. Either the **Named Insured** or the additional **Named Insured** may purchase an Extended Reporting Endorsement on behalf of the additional **Named Insured**.

The purchase of an Extended Reporting Endorsement is subject to the terms and conditions specified in the standard policy. The Extended Reporting Endorsement premium for an individual **Named Insured** is subject to the **Named Insured's** specialty and territory in effect as of the policy termination date.

The Extended Reporting Endorsement premium for a **Medical Corporation** shall be the sum of all applicable individual Extended Reporting Endorsement premiums and any **Medical Corporation** Extended Reporting Endorsement premium as appropriate.

**1. Individual Named Insured**

Manual Rate (7<sup>th</sup> Year Rate based upon territory and specialty)

X Maturity Year Factor

---

= Annual Base Premium

X Part Time Factor (if applicable),

or

X Newly Practicing Physician Discount Factor (if applicable),  
(use whichever applicable factor above would provide the greatest discount)

---

= Annual Adjusted Base Premium

- Loss Free Discount (if applicable, Loss Free Discount Factor x Annual Adjusted Base Premium)

---

= Annual Discounted Premium (net of loss free discount)

X Tail Factor

---

= Extended Reporting Endorsement Premium

If the **Named Insured** is on suspended coverage at the date of policy cancellation, the rating factors in effect before the suspended coverage will be used.

**2. Medical Corporation**

To determine the Extended Reporting Endorsement premium for a **Medical Corporation**, the individual **Physician** premiums that have a premium bearing relationship to the corporation are used. The premium is computed as follows:

- a. For **Medical Corporations** with four or less **Physicians** with premium bearing relationships:

Using the individual **Physician** rating method, multiply the annual adjusted base premium of each individual **Physician** by a factor of .21 (21%). Then add these amounts together to determine an annual premium.

- b. For **Medical Corporations** with five or more **Physicians** with premium bearing relationships:

Determine the five highest rated **Physicians** based upon their annual adjusted base premiums. Add these annual adjusted base premiums together and divide by 5.

$$\frac{\quad}{\quad} = \text{Annual Base Premium}$$

X Tail Factor

$$\frac{\quad}{\quad} = \text{Extended Reporting Endorsement Premium}$$

If a **Medical Corporation** is rated on an auditable premium basis, the annual base premium is determined by multiplying the per exposure rate by the number of exposures. The tail factor is applied to the annual base premium.

- c. If **Paramedical Employees** are covered under the policy, add the sum of the individual **Paramedical Employee** premiums to the developed **Medical Corporation** annual base premium before applying the tail factor.

3. The Extended Reporting Endorsement premium as calculated may be paid all at once, or it may be paid in annual installments over a three-year period calculated as follows:

- a. Calculate the total cost of the Extended Reporting Endorsement using the rates in effect as of the policy expiration date;

- b. If payment will be made in installments, calculate the service charge. The service charge shall be 3% of the total cost of the Extended Reporting Endorsement, shall be payable in full in conjunction with the first installment and is not refundable; and

- c. Calculate the installment amounts:

- (i) First Installment – 50% of the total premium plus the service charge;  
(ii) Second Installment – 30% of the total premium;  
(iii) Third Installment – 20% of the total premium.

- d. The **Named Insured's** election to purchase the Extended Reporting Endorsement on installments is irrevocable upon receipt by **MAIC** of the first installment payment.

43. All premiums for the Extended Reporting Endorsement are payable as of the due date shown on the Extended Reporting Endorsement invoice. Any such premium not paid as of the due date shall be in default and shall be grounds for not issuing or for canceling the Extended Reporting Endorsement. Any premium received after the due date shall be refunded within ten (10) business days.

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54. A **Named Insured** may be granted an Extended Reporting Period without cost in the event of death or **Disability**.

A **Named Insured** who is a **Physician** or **Paramedical Employee** (separate limits) may obtain an Extended Reporting Endorsement at no cost or at reduced cost in the event of **Retirement** (as defined in the policy). Coverage with previous claims-made carriers may, at MAIC's option, be substituted in lieu of **MAIC** coverage so long as the **Physician** or **Paramedical Employee** (separate limits) is insured with **MAIC** for at least one year prior to requesting the Extended Reporting Endorsement. Waiver of the full premium for an Extended Reporting Endorsement based on **Retirement** will be granted only once to a **Physician** or **Paramedical Employee** (separate limits).

A credit toward the purchase of the Extended Reporting Endorsement is computed as follows:

- a. one-sixtieth (1/60) of the premium for each full month the retiring **Physician** or **Paramedical Employee** (separate limits) has had consecutive coverage with **MAIC** for up to a total credit of 100% if the **Physician** or **Paramedical Employee** (separate limits) has attained the age of fifty-five at **Retirement**; or
- b. one one-hundred twentieth (1/120) of the premium for each full month the retiring **Physician** or **Paramedical Employee** (separate limits) has had consecutive coverage with **MAIC** for up to a total credit of 100%, regardless of age of the **Physician** or **Paramedical Employee** (separate limits) at **Retirement**.

65. A **Physician** or **Paramedical Employee** (separate limits) previously granted an Extended Reporting Period without cost or at reduced cost because of **Retirement** may, in the future, be considered for insurance with **MAIC** under the following circumstances:

- a. Completion of an application for insurance;
- b. Reapplication after twelve (12) months;
- c. Has reported no **Claims** or **Suits** pursuant to the Extended Reporting Endorsement; and
- d. Payment of the appropriate premium for the period the policy was either placed on suspended coverage or rated Part-Time, 20%, Retired, Not in Practice at the same, territory and maturity year in effect at the time of termination.

76. The premium calculated in Paragraphs 1 or 2 above is subject to proration depending upon the policy termination date and the **Named Insured's** maturity year.

- a. Maturity Year One - The Extended Reporting Endorsement premium shall be computed on a pro rata basis for each day the policy has been in force and shall be rounded to the nearest whole dollar.

- b. Maturity Year Two Through Maturity Year Six - The Extended Reporting Endorsement premium shall be the sum of:
  - (i). The pro rated difference between the Extended Reporting Endorsement premium at the end of the current **Policy Period** and the premium that would have been charged had the policy terminated at the end of the preceding **Policy Period**; and
  - (ii). The premium that would have been charged in the preceding **Policy Period** if the policy had terminated one (1) year earlier.
- c. Maturity Year Seven - Not subject to proration.

#### IX. ADDITIONAL INTERESTS

The addition of coverages, persons or entities not provided for in the standard policy shall be submitted to **MAIC** for rating.

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### **A. PHYSICIAN COVERAGE**

1. If a **Named Insured** employs a **Physician**, all such employed **Physicians** must be insured with **MAIC**.
2. If a **Physician's** primary office practice and primary hospital practice are in different territories, the territory to be used for rating purposes shall be:
  - a. For non-surgical specialties not identified in b. below, the primary office practice location is used.
  - b. For surgical specialties including but not limited to those listed below and the following identified non-surgical specialties, the primary hospital location is used.  
  
Anesthesiology, Cardiovascular Disease (MRP), Emergency Medicine, Family Practice (Not Primarily Major Surgery), General Practice (Not Primarily Major Surgery), Ophthalmic Surgery, Pathology, Radiology.
  - c. "Primary" means 51% or more of the **Physician's** total office or hospital practice time, as applicable, spent in a given territory.
3. If a **Physician** practices in two or more territories, or, if hospital-based, the **Physician** practices in two or more hospitals which are located within different territorial boundaries, the higher rated territory shall be utilized for rating purposes.
4. The premium shall be the sum of:
  - a. The rate applicable to the individual **Physician's** specialty, territory and maturity year which appears on the rate pages contained in Appendix I, Section I; plus,
  - b. The appropriate per person rate for each **Paramedical Employee** whose rate appears on the rate pages contained in Appendix I, Section II; plus,
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5. In the event a **Physician's** specialty rating is reduced, no additional premium charge shall be made. However, if the **Physician** terminates the policy within twenty-four (24) months from the effective date of a specialty reduction the resulting Extended Reporting Endorsement calculation shall be made at the highest specialty designation in effect while insured by **MAIC**.

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See Appendix III.

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1. Prior Acts Coverage is available.
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  - a. Completion of a bona fide residency program by the **Physician**;
  - b. Completion of a bona fide residency and fellowship program by the **Physician**; or
  - c. If neither a. or b. are applicable to the **Physician's** specific circumstances, the type of medical practice engaged in by the **Physician**, and how such **Physician** is holding him/her self out to the public.
2. When applicable, performance or non-performance of medical procedures in accordance with the rules contained in this manual.

#### B. The initial basis of rating assignment shall be the **Physician's** trained medical specialty as described above. To the extent that the **Physician's** practice activity contemplated by the medical specialty may be increased by the performance of medical procedures not usual and customary to the trained specialty, or may be decreased by the non-performance of medical procedures that are usual and customary to the trained medical specialty, the **Physician's** rating assignment may be adjusted higher or lower as specified in Appendix II, Section IV.

#### C. The **Physician** specialty rating schedules and rules of this manual do not apply to **Physicians** in active United States Military Service or to the government practice activity of **Physicians** employed on a full or part-time basis by any government agency, institution or facility, other than a medical school or student health center.

**Physicians** and **Medical Corporations** rendering or furnishing medical services within any government-owned or operated institution or facility (except a medical school, a facility owned or operated by a medical school or a student health center) on a fee-for-service (independent contractor) basis shall be subject to (a) rating.



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**Physicians** who voluntarily request either a decrease or increase in specialty assignment may not obtain a further change in specialty assignment until a period of three (3) months has elapsed. This rule shall not apply when it conflicts with any other rule in this manual.

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**Physicians** with no indemnity payments over a given experience period may qualify for a premium discount. See Appendix II, Section X.

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Whenever a restrictive endorsement is attached to the policy of an employed **Physician, Paramedical Employee** or a **Physician** who is either an officer, director or shareholder of a **Medical Corporation**, a comparable endorsement shall be attached to the respective employer's policy if such employer is insured by **MAIC**. Such endorsement shall serve to limit the liability otherwise afforded under such policies, for the acts and omissions of the **Insured** whose individual coverage is restricted, if the **Claim** or **Suit** arises out of the excluded activity.

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- A.** A deductible may be available to **Named Insureds** who either desire to share in their losses in return for premium savings or have demonstrated a significant adverse loss profile necessitating that they take a primary role in the management of their risk.
- B.** A deductible requires the **Named Insured** to share financially in each and every **Claim**. Varying amounts may be arranged depending on the financial and risk management expertise of the **Named Insured**. The deductible, which is inside the limits of liability, will include indemnity payments only.

- C. Any premium credit, because of the assumption of a deductible, must be submitted to **MAIC** for rating.
- D. A deductible may require the **Named Insured** to post a letter of credit or other suitable form of security.

# Medical Alliance Insurance Company

May 22, 2013

Gayle Neuman  
Illinois Department of Insurance  
Property and Liability Compliance Unit  
320 West Washington St.  
Springfield, IL 62767-0001

RE: Medical Malpractice Rule Filing PPL-13-01-R  
Medical Alliance Insurance Company  
FEI#: 32-0097644  
NAIC#: 118161

Dear Ms. Neuman:

On behalf of Medical Alliance Insurance Company (MAIC), we are submitting a Medical Malpractice rule filing. This filing is to amend the claims-made rule manual currently on file.

Enclosed please find:

- Cover letter
- Explanatory memorandum
- Officer certification
- Actuarial certification
- Rule manual – sections subject to change (redlined and clean copy)

MAIC has internal policies in place for gathering and reporting statistics to the Department of Insurance. As such, we do not report to a statistical agency.

Please note that this filing will be applicable to all new and renewal policies effective on and after June 1, 2013.

Please advise if you should need any further clarification regarding this filing.

Sincerely,



Amy Tozzi  
Sr. Director, Underwriting  
Phone: 630-276-5658  
Fax: 630-717-4767

# Medical Alliance Insurance Company

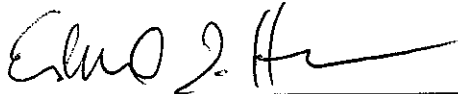
February 27, 2012

Medical Alliance Insurance Company hereby authorizes Illinois Risk Management Services, Inc. (IRMS) to, on its behalf and in accordance with its directions, submit rate, rule, and form filings via SERFF to the state of Illinois. This authorization includes providing additional information and responding to questions regarding the filings as necessary and is deemed to be in effect until rescinded in writing.

Please direct all correspondence and inquiries related to this filing to IRMS at the following address:

IRMS  
17035 W. Wisconsin Avenue, Suite 105  
Brookfield, WI 53005  
262-754-1600  
262-754-1601 Fax

Medical Alliance Insurance Company



Edward J. Holzhauer, President

An Illinois Hospital Association company

[www.mainsurance.com](http://www.mainsurance.com)

IHA HEADQUARTERS  
1151 East Warrenville Road | PO Box 3015  
Naperville, Illinois 60566  
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Springfield, Illinois 62704  
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